28 APR 1976

NOTE TO: Mr. William G. Hyland
          Deputy Assistant to the President
          for National Security Affairs

Dear Bill:

    Here is a copy of my latest draft of
the budget schedule paper. We have
attempted to reconcile the differences
between Defense and the DCI and have added
a paragraph saying what the CFI will not
do. I have provided Bob Ellsworth a copy
and hope that reconcilliation can be
effected.

    I would appreciate a call this week
to hear your views. I feel it is very
important to get this paper on the street.

<div align="center">

SIGNED

George Bush
Director

</div>

Attachment: (1) as stated

25X1 D/DCI/IC [   ] 8 Apr 76)
    Distribution:
        1 - Adse
        1 - ER
        1 - IC Reg
        1 - D/DCI/IC chrono

COMMITTEE ON FOREIGN INTELLIGENCE

DIRECTIVE NO. 1

I. Purpose

The purpose of this Directive is to establish the procedures by which the Committee on Foreign Intelligence (CFI) will control budget preparation and resource allocation for the National Foreign Intelligence Program (NFIP) pursuant to Executive Order 11905, dated 18 February 1976.

II. Responsibilities

The CFI will issue program and resource guidance; review and approve program and budget proposals; and provide an annual National Foreign Intelligence Program budget to the President. The process by which these tasks will be accomplished is described in detail later in this Directive. Generally, it is designed to interface to the extent possible with existing program and budget processes. At key points in the process, CFI decisions will be provided to the individual departments and agencies.

The CFI will not be responsible for the preparation and submission of individual department and agency programs and budgets; or funding, direction, and operational management of the individual programs and activities.

The Deputy to the DCI for the Intelligence Community (D/DCI/IC) will manage the process. The CFI Staff, under the direction of the D/DCI/IC, will work jointly with appropriate staffs throughout the year, including staffs of program managers, to coordinate the process.
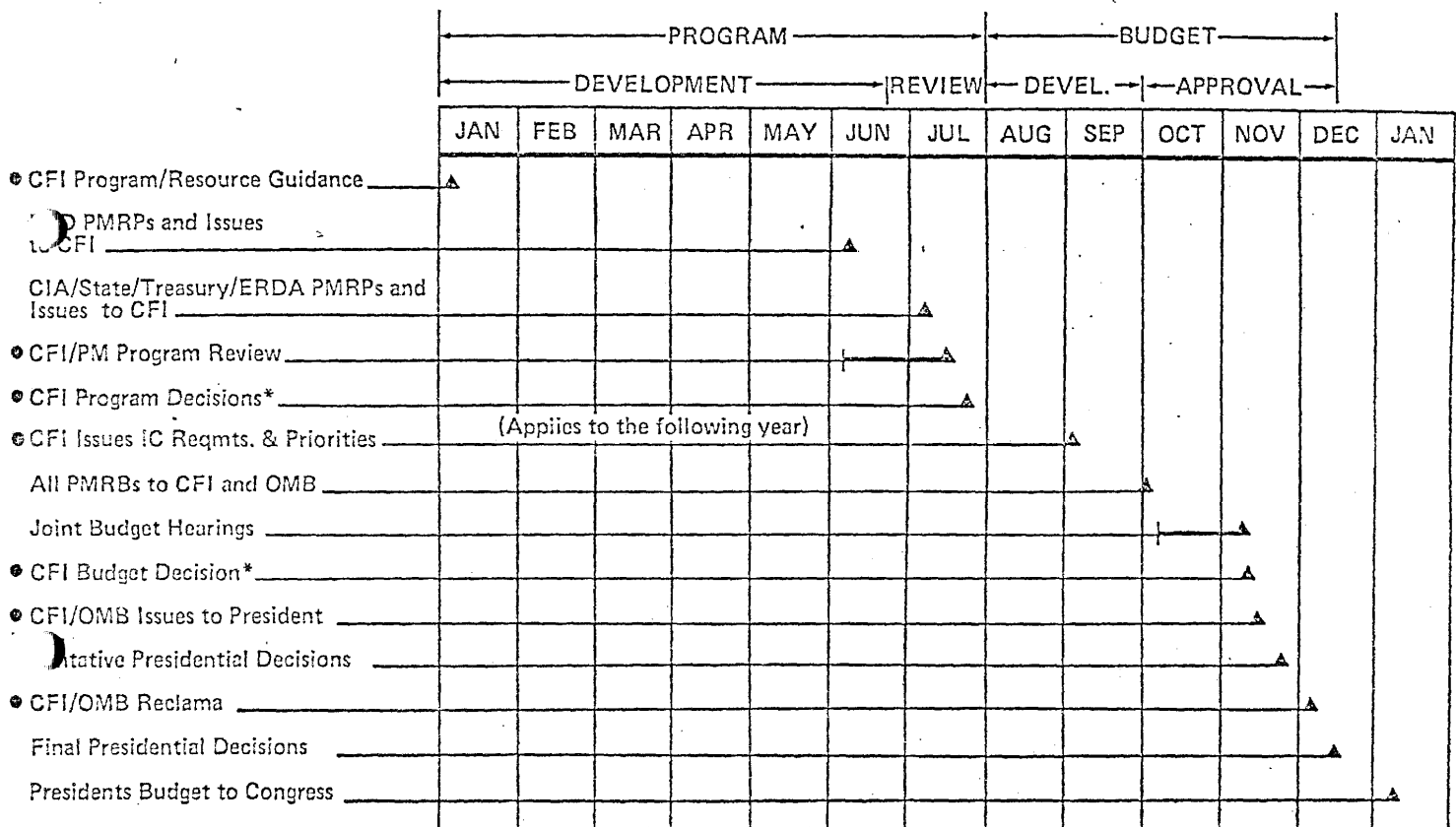
III.   The Annual Process

    The major milestones in the annual process shall be as outlined below; the Deputy to the DCI for the Intelligence Community will publish a detailed program activity and review schedule each year which sets forth specific milestones and key decision dates:

Early September	CFI issues Intelligence Community Requirements and Priorities
Early January	CFI issues program and resource guidance
Early June	Program managers submit program proposals to department/agency officials and CFI; departmental and CFI staffs identify major issues for CFI consideration
Mid-June/Mid-July	CFI reviews programs with department/agency officials and program managers; overall NFIP presented by D/DCI/IC
Late July	CFI program decisions transmitted to departments/agencies concerned
Early October	Program managers submit budget estimates to department/agency officials, OMB and CFI
October/November	Joint CFI, OMB, department/agency budget hearings; issue papers jointly drafted and presented to CFI
Early November	CFI budget decisions transmitted to departments/agencies concerned; CFI submits consolidated NFIP budget to the President

2

Mid-November	Identification of budget issues; joint issue papers (triparty: CFI, OMB department) on unresolved issues forwarded to the President
Late November	Tentative Presidential decisions issued
Early December	Joint (triparty: CFI, OMB, department) issue papers on appealed decisions forwarded to the President
Mid-December	Final Presidential decisions
Early January	President's budget to Congress

George Bush
Chairman

3

CFI PROGRAMMING-BUDGETING CYCLE

	PROGRAM						BUDGET					
	DEVELOPMENT					REVIEW	DEVEL.		APPROVAL			
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
● CFI Program/Resource Guidance	▲												
PMRPs and Issues to CFI						▲							
CIA/State/Treasury/ERDA PMRPs and Issues to CFI							▲						
● CFI/PM Program Review							▲						
● CFI Program Decisions*							▲						
● CFI Issues IC Reqmts. & Priorities	(Applies to the following year)								▲				
All PMRBs to CFI and OMB										▲			
Joint Budget Hearings											▲		
● CFI Budget Decision*											▲		
● CFI/OMB Issues to President											▲		
Tentative Presidential Decisions												▲	
● CFI/OMB Reclama												▲	
Final Presidential Decisions												▲	
Presidents Budget to Congress													▲

* Maintains the integrity of existing decision processes.

● Major points of CFI involvement.

26 APR 76
340-76